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DEPARTMENT OF ENERGY FEDERAL ENERGY REGULATORY COMMISSION

LNG Development Company, LLC and Oregon Pipeline Company

Docket No. PF12-18-000

Northwest Pipeline GP

Docket No. PF12-20-000

NOTICE OF INTENT TO PREPARE AN ENVIRONMENTAL IMPACT STATEMENT FOR THE PROPOSED OREGON LNG EXPORT PROJECT AND WASHINGTON EXPANSION PROJECT,

REQUEST FOR COMMENTS ON ENVIRONMENTAL ISSUES, AND NOTICE OF PUBLIC SCOPING MEETINGS

The Federal Energy Regulatory Commission (FERC or Commission) is in the process of evaluating the construction and operation of facilities proposed by LNG Development Company, LLC and Oregon Pipeline Company (collectively referred to as Oregon LNG). The new proposal is referred to as the Oregon LNG Export Project (Export Project) and has been assigned Docket No. PF12-18-000. Oregon LNG plans to amend its pending application in Docket Nos. CP09-6-000 and CP09-7-000 (Oregon LNG Terminal and Pipeline Project) into a bidirectional liquefied natural gas (LNG) terminal and pipeline after completion of the FERC's pre-filing review process for the Export Project.

The Oregon LNG Export Project would be comprised of: 1) liquefaction facilities to be located at the proposed import terminal site in Warrenton, Oregon, and 2) about 39 miles of new 36-inch-diameter pipeline. The new pipeline would traverse Columbia County, Oregon and end in Cowlitz County, Washington to interconnect with the interstate gas transmission system of Northwest Pipeline GP (Northwest). Northwest proposes to expand the capacity of its pipeline between Sumas and Woodland, Washington to provide natural gas to the proposed Oregon LNG terminal and to growing markets in the state of Washington. Northwest's Washington Expansion Project (WEP) also is in the FERC's pre-filing review process (Docket No. PF12-20-000).

Oregon LNG's Export Project and Northwest's WEP would be connected actions, and the FERC intends on evaluating both project proposals in the same environmental impact statement (EIS). The EIS will also address the unchanged components of the Oregon LNG Terminal and Pipeline Project, as originally proposed, for which scoping

has already been carried out. As described below, the FERC will hold public meetings to allow the public to provide input to the assessment of the Oregon LNG Export Project and the WEP.

The FERC will be the lead federal agency in the preparation of the EIS that will satisfy the requirements of the National Environmental Policy Act (NEPA). The U.S. Coast Guard, U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, and U.S Fish and Wildlife Service are cooperating agencies on the pending Oregon LNG Project under Docket Nos. CP09-6-000 and CP09-7-000. The Commission will use the EIS in its decision-making process to determine whether or not to authorize the projects. This Notice of Intent (NOI) explains the scoping process we¹ will use to gather information on the project from the public and interested agencies. Your input will help identify the issues that need to be evaluated in the EIS.

Comments on the projects may be submitted in written form or verbally. Further details on how to submit written comments are provided in the Public Participation section of this NOI. In lieu of sending written comments, we invite you to attend one of the public scoping meetings scheduled as follows:

Oregon LNG Export Project

Monday, October 15, 2012, 6:00 PM

Warrenton Community Center 170 SW 3rd Street Warrenton, OR 503-861-2233

Tuesday, October 16, 2012, 6:00 PM

Woodland High School/Middle School Commons 755 Park Street Woodland, WA 360-841-2700

Thursday, October 18, 2012, 6:00 PM

Vernonia Schools, Commons 1000 Missouri Avenue Vernonia, OR 503-429-1333

¹ "We," "us," and "our" refer to the environmental staff of the FERC's Office of Energy Projects.

Washington Expansion Project

Monday, October 15, 2012, 6:00 PM

Sedro-Woolley High School Auditorium 1235 3rd Street Sedro-Woolley, WA 360-855-3903

Tuesday, October 16, 2012, 6:00 PM

Riverview Elementary 7322 64th St. SE Snohomish, WA 360-563-7332

Wednesday, October 17, 2012, 6:00 PM

V.R. Lee Community Building 221 SW 13th Street Chehalis, WA 360-748-0271

and

Auburn Parks and Recreation Admin. Bldg.
910 Ninth Street SE
Auburn, WA
253-931-3043

Thursday, October 18, 2012, 6:00 PM

R.A. Long High School Auditorium 2903 Nichols Blvd Longview, WA 360-575-7156

This NOI is being sent to federal, state, and local government agencies; elected officials; affected landowners; environmental and public interest groups; Indian tribes and regional Native American organizations; commentors and other interested parties; and local libraries and newspapers. We encourage government representatives to notify their constituents of this planned project and encourage them to comment on their areas of concern.

If you are a landowner receiving this notice, a pipeline company representative may contact you about the acquisition of an easement to construct, operate, and maintain

the planned facilities. The company would seek to negotiate a mutually acceptable agreement. However, if the Commission approves the project, that approval conveys with it the right of eminent domain. Therefore, if easement negotiations fail to produce an agreement, the pipeline company could initiate condemnation proceedings where compensation would be determined in accordance with state law.

A fact sheet prepared by the FERC entitled "An Interstate Natural Gas Facility On My Land? What Do I Need To Know?" is available for viewing on the FERC website (www.ferc.gov). This fact sheet addresses a number of typically-asked questions, including the use of eminent domain and how to participate in the Commission's proceedings.

Summary of the Proposed Projects

Oregon LNG Export Project: The Oregon LNG Export Project would consist of components new to and modified from the originally proposed import-only LNG terminal and pipeline (Docket Numbers CP09-6-000 and CP09-7-000) to allow Oregon LNG to export LNG. The Export Project (PF12-18-000) would be capable of liquefying approximately 1.3 billion cubic feet per day (Bcf/d) of pretreated natural gas for the export of approximately 9 million metric tons per annum (MTPA) of LNG via LNG carriers.

Specifically, the Export Project would be comprised of: 1) Liquefaction and export facilities to be located at the proposed import terminal site in Warrenton, Oregon, and 2) about 39 miles of new pipeline commencing at milepost 47.5 of the pending proposed Oregon Pipeline.

Liquefaction facilities would include:

- a natural gas pretreatment facility to remove sulfur compounds, water, mercury, and other impurities;
- two liquefaction process trains, each capable of a liquefaction capacity of approximately 4.5 MTPA;
- refrigerant storage;
- new flare system; and
- new water intake on the Columbia River and water delivery pipeline from the intake to a new water treatment system.

In addition, the proposed Export Project would include expansion of system, equipment, and structures associated with the original import terminal design. No additional marine facilities would be required for the Export Project.

Pipeline facilities would include:

• a new pipeline segment: and

• a new compressor station at MP 80.8.

The new pipeline segment would extend northeast to east from the southwest corner of Columbia County, Oregon to Woodland, Washington to interconnect with the interstate natural gas transmission system of Northwest Pipeline.

Washington Expansion Project: Northwest states that the purpose of its Project is to expand the capacity of its pipeline between Sumas and Woodland, Washington, by 750,000 dekatherms per day to provide natural gas to the proposed Oregon LNG import/export terminal in Warrenton, Oregon, and to growing markets in the state of Washington.

Pipeline facilities for the WEP would include:

- about 140 miles of 36-inch-diameter pipeline loop along Northwest's existing Northwest Pipeline in 10 segments; and
- an additional 96,000 horsepower (hp) of compression at five existing compressor stations.

Upon completion, the Northwest Pipeline would be capable of delivering about 1.25 billion cubic feet per day of gas at the interconnect with the proposed Oregon LNG pipeline in Woodland. The 10 segments of new pipeline loop would be noncontiguous and traverse through Whatcom, Skagit, Snohomish, King, Pierce, Thurston, Lewis, and Cowlitz Counties. These segments would vary in length from 5 miles to 45 miles. The loops would be placed within Northwest's existing right-of-way to the extent practicable and the existing compressor station footprints would not change.

Location maps (figures 1 and 2) depicting the proposed facilities are attached to this NOI as Appendix 1.²

The EIS Process

NEPA requires the Commission to take into account the environmental impacts that could result from an action when it considers whether or not an LNG terminal or an interstate natural gas pipeline should be approved. The FERC will use the EIS to consider the environmental impacts that could result if it issues project authorizations to Northwest under section 7 of the Natural Gas Act and Oregon LNG under sections 3 and 7 of the Natural Gas Act. NEPA also requires us to discover and address concerns the public may have about proposals. This process is referred to as "scoping." The main

² The appendices referenced in this notice will not appear in the <u>Federal Register</u>. Copies of the appendices were sent to all those receiving this notice in the mail and are available at <u>www.ferc.gov</u> using the link called "eLibrary" or from the Commission's Public Reference Room, 888 First Street NE, Washington, DC 20426, or call (202) 502-8371. For instructions on connecting to eLibrary, refer to the last page of this notice.

goal of the scoping process is to focus the analysis in the EIS on the important environmental issues. See flow chart for our EIS Pre-Filing Environmental Review Process in Appendix 2. With this NOI, the Commission staff is requesting public comments on the scope of the issues to be addressed in the EIS relative to the Export Project and the WEP. All comments received (written or oral) will be considered during preparation of the EIS.

In the EIS we will discuss impacts that could occur as a result of the construction, operation, and maintenance of the proposed projects under these general topics:

- Geology and soils
- Water resources
- Aquatic and marine resources
- Vegetation and wildlife
- Threatened and endangered species
- Land use, recreation, and visual resources
- Cultural resources
- Socioeconomics
- Air quality and noise
- Reliability and safety
- Cumulative impacts

In the EIS, we will also evaluate possible alternatives to the proposed project or portions of the project, and make recommendations on how to lessen or avoid impacts on affected resources.

Our independent analysis of the issues will be included in a draft EIS. The draft EIS will be mailed to federal, state, and local government agencies; elected officials; affected landowners; environmental and public interest groups; Indian tribes and regional Native American organizations; commentors; other interested parties; local libraries and newspapers; and the FERC's official service list for this proceeding. A 45-day comment period will be allotted for review of the draft EIS. We will consider all comments on the draft EIS and revise the document, as necessary, before issuing a final EIS. The Commission will consider the findings in the final EIS when it makes its decision about whether to approve or disapprove the project. To ensure that your comments are considered, please follow the instructions in the Public Participation section of this NOI.

Although no formal applications have been filed for the Export Project and WEP, the FERC staff has already initiated its NEPA review under its pre-filing process. The purpose of the pre-filing process is to encourage early involvement of interested stakeholders and to identify and resolve issues before an application is filed with the FERC.

With this NOI, we are asking federal, state, and local agencies with jurisdiction and/or special expertise with respect to environmental issues, in

addition to those agencies that have already agreed to serve as cooperating agencies, to formally cooperate with us in the preparation of the EIS. These agencies may choose to participate once they have evaluated the proposal relative to their responsibilities. Additional agencies that would like to request cooperating agency status should follow the instructions for filing comments provided under the Public Participation section of this NOI.

Currently Identified Environmental Issues

We have already identified issues that we think deserve attention based on our previous experience with similar projects in the region. This preliminary list of issues, which is presented below, may be revised based on your comments and our continuing analyses specific to the Export Project and WEP.

- Safety of residents during construction and operation of the project
- Noise and air quality
- Marine and aquatic environment
- Geological hazards, including seismic activity and landslides
- Pipeline impacts on waterbodies and wetlands, including issues of erosion control
- Vegetation, including the clearing of forested areas
- Pipeline construction in dense residential areas
- Threatened and endangered species and wildlife habitat
- Recreation and recreational areas
- Cultural resources
- Property values and socioeconomic concerns

We will also evaluate reasonable alternatives to the proposed project or portions of the project, and make recommendations on how to lessen or avoid impacts on the various resource areas.

Public Participation

You can make a difference by providing us with your specific comments or concerns about Export Project and WEP. By becoming a commentor, your concerns will be addressed in the EIS and considered by the Commission. Your comments to the FERC will be most useful if they focus on the potential environmental effects of the proposal, reasonable alternatives to the proposal, and measures to avoid or lessen environmental impact. The more specific your comments, the more useful they will be. Comments that you submit to the FERC during the pre-filing process will be part of the public record and will not have to be resubmitted after Oregon LNG and Northwest file their application with the FERC. To ensure that your comments are timely and properly

recorded, please send them so that the Commission receives them in Washington, DC on or before **November 8, 2012**.

For your convenience, there are three methods which you can use to submit your comments to the Commission. In all instances please reference the project docket numbers (PF12-18-000 for the Export Project or PF12-20-000 for the WEP) with your submission. The Commission encourages electronic filing of comments and has expert eFiling staff available to assist you at (202) 502-8258 or effling@ferc.gov.

- (1) You can file your comments electronically using the <u>eComment</u> feature on the Commission's website at <u>www.ferc.gov</u> under the link to <u>Documents</u> and <u>Filings</u>. This is an easy method for interested persons to submit brief, text-only comments on a project;
- (2) You can file your comments electronically by using the <u>eFiling</u> feature on the Commission's website at <u>www.ferc.gov</u> under the link to <u>Documents and Filings</u>. With eFiling you can provide comments in a variety of formats by attaching them as a file with your submission. New eFiling users must first create an account by clicking on "<u>eRegister</u>." You must select the type of filing you are making. If you are filing a comment on a particular project, please select "Comment on a Filing"; or
- (3) You can file a paper copy of your comments by mailing them to the following address:

Kimberly D. Bose, Secretary Federal Energy Regulatory Commission 888 First Street NE, Room 1A Washington, DC 20426

The public scoping meetings (dates, times, and locations listed above) are designed to provide another opportunity to offer comments on the proposed project. Interested groups and individuals are encouraged to attend the meetings and to present comments on the environmental issues that they believe should be addressed in the EIS. A transcript of the meetings will be generated so that your comments will be accurately recorded.

If you are currently an intervenor in the pending Oregon LNG Terminal and Pipeline Project proposal, you do not need to file for intervention status once Oregon LNG files its updated application with the Commission. Your intervention status will remain with the amended proposal.

Once Oregon LNG and Northwest formally file their applications with the Commission, you may want to become an "intervenor," which is an official party to the

proceeding. Intervenors play a more formal role in the process and are able to file briefs, appear at hearings, and be heard by the courts if they choose to appeal the Commission's final ruling. An intervenor formally participates in a Commission proceeding by filing a request to intervene. Instructions for becoming an intervenor are in the User's Guide under the "e-filing" link on the Commission's web site. **Please note that you may not request intervenor status at this time.** You must wait until formal applications are filed with the Commission.

Environmental Mailing List

The environmental mailing list includes federal, state, and local government representatives and agencies; elected officials; environmental and public interest groups; Native American Tribes; other interested parties; and local libraries and newspapers. This list also includes all affected landowners (as defined in the Commission's regulations) who are potential right-of-way grantors, whose property or mineral rights may be used permanently or temporarily for project purposes, and anyone who submits comments on the project. We will update the environmental mailing list as the analysis proceeds to ensure that we send the information related to this environmental review to all individuals, organizations, and government entities interested in and/or potentially affected by the proposed project.

On April 12, 2012 Oregon LNG notified the property owners who are no longer affected by the new Oregon LNG proposal. If you are no longer affected by the new proposal, and would like to be removed from our mailing list, please return the attached Information Request (Appendix 3) indicating this. If you would like to remain on the environmental mailing list, you do not need to reply.

Copies of the EIS will be sent to the environmental mailing list for public review and comment. If you would prefer to receive a paper copy of the document instead of the CD version or would like to remove your name from the mailing list, please return the attached Information Request (Appendix 3).

Additional Information

Additional information about the projects is available from the Commission's Office of External Affairs at (866) 208-FERC, or on the FERC website at www.ferc.gov using the "eLibrary" link. Click on the eLibrary link, click on "General Search" and enter the docket number, excluding the last three digits in the Docket Number field (i.e., PF12-18 for the Export Project or PF12-20 for the WEP). Be sure you have selected an appropriate date range. For assistance, please contact FERC Online Support at FercOnlineSupport@ferc.gov or toll free at (866) 208-3676, or for TTY, contact (202) 502-8659. The eLibrary link also provides access to the texts of formal documents issued by the Commission, such as orders, notices, and rulemakings.

In addition, the Commission offers a free service called eSubscription which allows you to keep track of all formal issuances and submittals in specific dockets. This can reduce the amount of time you spend researching proceedings by automatically providing you with notification of these filings, document summaries, and direct links to the documents. Go to www.ferc.gov/esubscribenow.htm.

Any public meetings or additional site visits will be posted on the Commission's calendar located at www.ferc.gov/EventCalendar/EventsList.aspx along with other related information.

Oregon LNG has established a website for its project at http://www.oregonlng.com. The website includes a project overview, status, potential impacts and mitigation, and answers to frequently asked questions. You can also request additional information by calling Oregon LNG directly at 503-298-4969, or by sending an email to info@OregonLNG.com.

Finally, Northwest has established a website for its project at http://co.williams.com/williams/operations/gas-pipeline/expansion-projects/northwest-pipeline-expansion-projects/washington-expansion/. Northwest can be contacted on its toll-free hotline: 888-892-8905 or by sending an email to Washington-expansion/ williams.com.

Dated: September 24, 2012

Kimberly D. Bose, Secretary.

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